

Bryan W. Shaw, Ph.D., *Chairman*
Buddy Garcia, *Commissioner*
Carlos Rubinstein, *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

October 3, 2011

Bridget Bohac, Chief Clerk
Texas Commission on Environmental Quality
Office of the Chief Clerk, MC-105
P.O. Box 13087
Austin, Texas 78711-3087

Re: Appeal of Trent Water Works Inc. from the Ratemaking Actions of The Village Of Jones Creek and Motion For Interim Rates; Certificate of Convenience and Necessity No. 11050
TCEQ Docket No. 2010-1817-UCR
SOAH Docket No. 582-11-1574
Executive Director's Exceptions to the Proposal for Decision

Dear Ms. Bohac:

Enclosed for filing, please find an original and 7 copies of the "*Executive Director's Exceptions to the Proposal for Decision.*"

If you have any questions, please do not hesitate to contact me at (512) 239-4309.

Sincerely,

A handwritten signature in black ink, appearing to read "Jose L. Caso", written over a horizontal line.

Jose L. Caso, Staff Attorney
Environmental Law Division

**SOAH DOCKET NO. 582-11-1574
TCEQ DOCKET NO. 2010-1817-UCR**

APPEAL OF TRENT WATER WORKS, INC. FROM RATEMAKING ACTION OF THE VILLAGE OF JONES CREEK AND MOTION FOR INTERIM RATES; CCN NO. 11050	§ § § § §	BEFORE THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
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EXECUTIVE DIRECTOR'S EXCEPTIONS TO THE PROPOSAL FOR DECISION

The Executive Director (ED) of the Texas Commission on Environmental Quality (TCEQ or Commission), by and through a representative of the Commission's Environmental Law Division, files the following exceptions to the Administrative Law Judge's (ALJ's) proposal for decision (PFD). In support of his exceptions, the ED shows the following:

I. OVERVIEW

The ED supports the ALJ's approval of a surcharge for recovery of rate cases expenses and lost revenue by Trent Water Works, Inc. (Trent) to be paid by its customers in the Village of Jones Creek (Village). The ED agrees that Trent is entitled to recover its lost revenue of \$33,273.37, for the period of 12 months from July 2010 to July 2011, when Trent was not allowed to charge the increased rates. Furthermore, the ED agrees that Trent's rate case expense of \$7,000 is just and reasonable.

II. RECOMMENDATION

In Ordering Provision No. 17, the ALJ recommended a surcharge recovery period of 12 months, which results in a monthly surcharge of \$10.90 per customer. The ED recognizes that this recovery period coincides with the length of time that Trent was prohibited from charging its proposed rate; however, due to the size of the proposed surcharge, the ED offers a surcharge recovery period of 24 months as an alternative for Commission consideration. The application of this recommendation would result in a surcharge of \$5.45 per month per customer.

III. CONCLUSION

The ED supports the ALJ's recommendation that the Commission approve Trent's request for a surcharge to recover rate cases expenses and lost revenue. Therefore, the ED respectfully requests that the Commission adopt the ALJ's proposed order with the ED's recommended changes presented herein.

Respectfully submitted,

TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

Mark R. Vickery, P.G., Executive Director

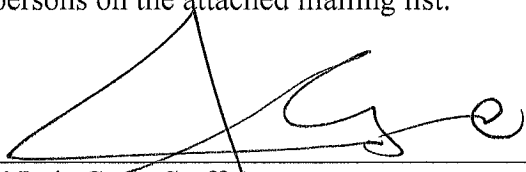
Robert Martinez, Director
Environmental Law Division

By: 

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CERTIFICATE OF SERVICE

I certify that on October 3, 2011, the original and 7 copies of the Executive Director's Exceptions to the Proposal for Decision regarding the "Appeal of Trent Water Works Inc. from the Ratemaking Actions of The Village Of Jones Creek and Motion For Interim Rates; Certificate of Convenience and Necessity No. 11050" was filed with the Office of the Chief Clerk, Texas Commission on Environmental Quality, and was served by first-class mail, electronic mail, agency mail, or facsimile to all persons on the attached mailing list.



José Luis Caso, Staff Attorney
Environmental Law Division
Texas Commission on Environmental Quality

MAILING LIST
APPEAL OF TRENT WATER WORKS, INC. FROM RATEMAKING ACTION OF
THE VILLAGE OF JONES CREEK AND MOTION FOR INTERIM RATES; CCN NO.
11050

TCEQ Docket No. 2010-1817-UCR
SOAH Docket No. 582-11-1574

The Honorable Richard R. Wilfong
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